GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:2560
ANSWERED ON:01.12.2016
Share of Mining Sector in GDP
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Will the Minister of MINES be pleased to state:

(a) the share of mining sector in GDP of the country;
(b) whether the Government has fixed any targets for increasing the share of this sector in GDP of the country, if so, the details thereof along with the action-plan chalked out for this purpose;
(c) the total mining area in the country along with the area where mining is going on at present including production of each mineral during the last three years, state wise;
(d) whether the Government has formulated any new policy to strengthen and develop the mining sector along with increasing revenue from this sector, if so, the details thereof and the time by which it is likely to be implemented; and
(e) the details of the provisions made in the new policy to wipe out corruption and fraud in the mining sector?

Answer

(a) and (b): As per the Advance Estimates released by Central Statistical Office, the contribution of Mining & Quarrying Sector in the Gross Value Added (GVA) of all sectors in 2015-16 is 2.60%.

Increase in mineral production as per mining plan and / or Mine Development and Production Agreement (MDPA) is a commercial decision of the mining concession holders and is largely based on domestic and international demand for minerals at prevailing price.

(c): As per the information available with Indian Bureau of Mines (IBM), as on 31.03.2015, there were 3868 mining leases with an area of about 3.40 lakh hectares for minerals (excluding atomic, fuel and minor minerals). The details in this regards are at Annexure I.

The details of production of minerals (coming under the purview of the Mineral Conservation and Development Rules, 1988) during the last three years is at Annexure II.
(d): and (e): To strengthen and develop the mining sector, the Government has amended the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957 through the MMDR Amendment Act 2015, which, inter-alia, provides for (i) grant of mineral concessions through auction by competitive bidding; (ii) extension of validity of lease period of existing leases; (iii) establishment of District Mineral Foundation for the benefit of persons and areas affected by mining operations; (iv) establishment of National Mineral Exploration Trust for the purposes of regional and detailed exploration; (v) simplification and removal of delays in the method of grant of mineral concessions; and (vi) stronger provisions for checking illegal mining.
For controlling illegal mining in the country, the Amendment Act has made stringent punitive provisions for combating illegal mining. Illegal mining has been made punishable with imprisonment for a term which may extend to five years and with fine which may extend to five lakh rupees per hectare of the area. Provisions have been made for setting up of Special Courts for the purpose of providing speedy trial of offences relating to illegal mining.
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